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ABSTRACT

Due to the instability of state funding, California's community colleges have turned to the foundation as a source of alternative fundraising and resource development. To gather data on the foundations in place at California community colleges, a survey was conducted of 50 foundation directors, focusing on how their foundations raised money, what this money was used for, obstacles faced, and other pertinent information. Results of the study, based on responses from 48 directors, included the following: (1) 78% of foundations emphasized raising immediate cash rather than planned-giving programs; (2) 73% of the foundations had paid staff; (3) the president of the college sat on the foundation's board at 92% of the colleges; (4) while the mean amount of raised money in the 1990-91 fiscal year was $458,303, amounts ranged from a low of $0 to a high of $4 million; and (5) 96% of the foundations expended money they raised on student scholarships. No significant differences were found in the responses with respect to college size or location, while a significant difference was found for the existence of paid staff, with foundations having paid staff using personal solicitation and direct mail more often than other foundations. Recommendations for improving foundations' efforts include hiring a professional staff; incorporating a long-range component of planned giving; and involving administrators, faculty, and student leaders. (HAA)

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NETWORK OF CALIFORNIA COMMUNITY COLLEGE FOUNDATIONS

FOUNDATION DEVELOPMENT Abstracts

CALIFORNIA COMMUNITY COLLEGE FOUNDATIONS FUND RAISING APPROACHES

Dr. William E. Piland

California's community colleges are in a position shared by some other states in that they are primarily funded by the state and, therefore, subject to the sometimes unstable budgetary climate imposed by the governance structure. State systems of community colleges across the country are experiencing hardships similar to the California system. A recent study published in the *Grapevine*, an Illinois State University publication reporting on state funding for higher education, showed state funding for community colleges eroding in over 80 percent of the states from 1990 to 1991. Alternative sources of income are becoming a much more important revenue stream since state funding, local property taxes, and, in some cases, tuition are at maximum levels.

Being traditionally innovative, California's community colleges have chosen a more direct, albeit sometimes rocky, path to garnering funding in order to continue and expand their programs and facilities—the foundation. Community colleges, in many states, are recognizing the potential foundations have for bringing in new resources during a time of limited state funding. While the concept of a foundation is certainly not a new one to academic institutions, the community college foundation did not come into its own until the mid-1970s. College administrators saw the importance of alternative fund-raising and resource development to help them achieve their missions and goals through community involvement.

RELATED RESEARCH

The community college faces several inherent obstacles in establishing an effective foundation. The lack of alumni organizations, the high number of commuters and part-time students have all impeded the growth of the foundation. In addition, some potential donors are reluctant to donate money to an institution that receives tax funds. However, a 1980 study by Graham found that if the community college is found to be a viable, integral part of the community, worthy of its support, the groundwork has been provided for seeking donations through the community. Walters' 1988 work reaffirmed this in his study, which found donors give money for personal reasons other than tax breaks.

A 1980 study by Duffy identified the characteristics of a successful community college foundation and the conditions that foster success. The top-ranked characteristics were a strong public relations program, involvement of community leaders and potential donors as members of the foundation, and the use of the foundation as a vehicle for community involvement in the college. In addition, the top-ranked conditions that foster success were: organized and defined planning efforts, a governing board that is aware of its roles and responsibilities, and a clear purpose statement for the foundation.

METHOD

Fifty foundation directors who are members of the Network of California Community College Foundations were surveyed to determine how their foundation raised monies, to what use these monies were put, what obstacles they faced in fund raising, and other pertinent information about their foundation's history and structure. Forty-eight, or 96 percent, responded to the one-page survey. Questions were designed for simple, one-word answers, or in multiple choice form, with additional space left for comments.

RESULTS

Results from the survey were as varied as the community colleges themselves. Substantial disparities were found in amounts of money raised and length of the foundations' existence, with no clear-cut pattern emerging. Other significant data indicated strongly that the foundation emphasis is on raising immediate cash (78%) as opposed to planned-giving programs such as real estate and stock. Twenty percent placed equal emphasis on both cash and planned giving.

Disparities on length of the foundation's existence are very prominent. The oldest foundation has been in place for 32 years, while the youngest has been in existence for less than a year, with the median being 13 years.

Seventy-three percent of the foundations have paid staff. Of these 35 foundations, 97 percent have an average of 1.1 paid professionals, while 88 percent have clerical support. Answers indicate that, often, the foundation is allotted a clerical support person, but only part-time.

The president of the college sits on the foundation board at 44 of the colleges, or 92 percent. Of the four foundations in which the president of the college does not sit on the board, two indicated that the president attended the board meetings. The two remaining foundations that did not have the college president's active support on the board raised an insignificant amount of money in comparison to those foundations that did.

As stated earlier, the greatest disparity came in the amount of money the foundations raised in the 1990/91 fiscal year. While the mean was $458,303, the low ranged from 0$ to a high of $4 million, with the median falling at $180,000. Of the 46 community colleges that responded to the question, 12 raised under $50,000, four raised over $50,000 but less than $100,000, 18 raised over $100,000 but under $500,000, and twelve raised over $500,000. Six foundations raised over $1 million.

The community college foundations primarily solicit from four groups. Business and professional leaders were cited most frequently, followed closely by local businesses, college employees, and the community at large. In descending order, the other groups solicited for donations are alumni, other foundations, current students, and celebrities. Service clubs and retirees of the district were also cited as sources for solicitation.

The majority of foundations raised funds successfully through personal solicitation, followed by special events, such as dinners, sporting events, auctions, festivals, and direct-mail solicitation. Only 21 of the foundations worked in cooperative programs with busi-

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ness, and only five solicited over the telephone. Grant writing, planned giving, and bequests were other ways in which the foundations raised funds.

The most successful fund-raising technique was cited as personal solicitation (56%). Next was special events, which garnered 32 percent, followed by cooperative programs with business, and direct-mail solicitation.

The largest number of foundations (96%) expended monies they raised on student scholarships. Following scholarships, monies were also expended on instructional equipment, facilities, operating expenses, special seminars or educational programs, the library, and guest lecturers. Other areas foundations support are faculty grants, endowments, emergency loans, disabled students funding, theatrical events, hospitality and banquets, and athletics. Additionally, foundations expended most of the money raised on student scholarships, with 61 percent of respondents selecting this option. This compares with 10 percent of respondents indicating the largest amount of money was spent on operating expenses, the second highest response.

In discussing the difficulties the foundations had in raising money, the number one problem cited was lack of a comprehensive fund-raising program (48%), followed closely by the public's reluctance to donate money to an institution that receives tax funds (44%) and lack of fund-raising experience and expertise (42%). Lack of paid professional staff (40%), competition (39%), and the community college's image (27%) followed closely behind. Other factors were lack of proper contacts, lack of vision, lack of organization, and the economy.

STATISTICAL COMPARISONS

Five variables were selected to compare the responses of foundation directors to determine significant differences. The variables were: college size, college location, years the foundation has been in existence, paid staff, and amount of funds raised.

Interestingly, there were no significant differences based on size and location of college. The variable which produced the largest number of significant differences (seven) was paid staff. Four differences related to the groups from which the foundations solicit. The groups were alumni, local businesses, the community at large, and other foundations. In every instance, foundations with paid staff solicited these groups to a much greater extent than did those foundations without paid staff. Two differences were connected with the ways in which the foundations raise funds. Paid staff provided for greater use of personal solicitation and direct mail as fund-raising methods.

The variables of amount of funds raised and years the foundation has been in existence each produced two statistically significant differences. One of the differences, paid staff, was shared by both variables. Those foundations which raised the highest amount of money had paid staff (92%), while those that raised the lowest amount were split between paid and unpaid staff. Similarly, those foundations in existence the longest amount of time tended to have paid staff while those newer foundations did not have this staffing pattern. Further, foundations raising the highest amount of funds solicited from alumni, at a two-to-one ratio, compared to the lowest fund raisers.

CONCLUSIONS

California community college foundations vary from unsophisticated, poorly organized and staffed operations, raising inconsequential amounts of money to competently staffed operations with a focused and motivated solicitation program raising large amounts of money for their colleges. A major key for success seems to be paid staff, consisting of professionals with clerical support. Paid staff seem to provide fund-raising experience and expertise leading to the development of a comprehensive fund-raising program using a variety of methods geared to a number of different potential contributing groups. The active involvement of the college president with the foundation is very prevalent, also.

College foundations concentrate on raising immediate cash from employees and the local community, much of which is immediately spent through student scholarships. There seems to be little effort to develop long-range giving programs which might have longer-range and more systemic impacts on the colleges. Foundation directors have identified personal solicitation as a primary fund-raising activity. This method requires a huge time commitment and is effective at securing large donations from a small number of individuals. Corporate sponsorship, vital for keeping athletic programs afloat in colleges and universities, is not a prevalent solicitation venue.

Fund-raising difficulties, while not perceived as problems by most foundation directors, tend to be internal, controllable ones. Paid professional staff, an involved college president, and an active, committed board should be equipped to overcome these difficulties. A sound fund-raising program also can offset some of the external forces identified as barriers to fund raising.

While the overwhelming majority of foundations have been in existence for more than five years, many appear to be in transition. The wheels of change are starting to roll as the importance of fund raising increases. The vision needs to be broadened and change facilitated through leadership and commitment on the part of all community college leaders—trustees, administrators, and faculty.

RECOMMENDATIONS

Following is a list of recommendations which should assist foundations to reach their potential:

1 The hiring of paid professional and clerical staff is a must for foundations to grow and prosper. The relationship between paid staff and revenue generated strongly suggests that the paid staff cause the revenue. Maintaining a foundation on an informal, bare-bones basis will not bring about fund-raising successes. The expertise, energy, and commitment of staff are needed for a viable foundation.

2 Paid staff is not enough to guarantee success. A comprehensive, visionary fund-raising program must be developed and pursued by staff. The program should target the traditional and nontraditional groups which might contribute to the foundation. Seeking corporate sponsorships for the foundation and working cooperatively with community business and industrial concerns on fund-raising events and projects may prove to be profitable.

3 The fund-raising program must contain a long-range component of planned giving. The degree of emphasis should shift in this direction to provide for continued growth into the future. A planned-giving program component should allow for a long-range expenditure plan which ought to relate to the college's long-range planning efforts. This approach will help provide resources for systemic college changes needed to meet a changing college mission.

4 College presidents, trustees, other administrators, faculty, and student leaders must actively support and become involved with foundation efforts. Support from these groups, as well as community leaders, is vital for successful fund-raising endeavors.

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Foundation Development Abstracts is published by the Network of California Community College Foundations. For further information or additional copies, please contact Jim Anderson at Chaffey College, 5885 Haven Ave., Rancho Cucamonga, CA 91737-3002, or call 909/941-2112.

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